

# **McCain Argentina**

Disclosure Report Date Submitted: July 30th, 2024

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## **Disclosure Materials**

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

#### **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

- Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's certification process
- Breaches of the B Corp Community's core values as expressed in our Declaration of Interdependence

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



## **Disclosure Questionnaire**

#### **Industries and Products**

#### Yes No Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** Chemicals $\square$ **Disclosure Alcohol** $\square$ **Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\overline{\mathbf{A}}$ <u>Industries</u> Fossil fuels $\square$ Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\boxed{}$ **Phase Out** Industries at Risk of Human $\square$ **Rights Violations Monoculture Agriculture** $\square$ **Nuclear Power or Hazardous** $\square$ **Materials** Payday, Short Term, or High **Interest Lending** Water Intensive Industries $\overline{\mathbf{A}}$ **Tax Advisory Services**

#### **Outcomes & Penalties**

	Yes	No	
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.			
Anti-Competitive Behavior		V	
Breaches of Confidential Information		Y	
Bribery, Fraud, or Corruption		V	
Company has filed for bankruptcy		N.	
Consumer Protection		V	
Financial Reporting, Taxes, Investments, or Loans		$\searrow$	
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		$\searrow$	
<u>Labor Issues</u>			
Large Scale Land Conversion, Acquisition, or Relocation		K	
Litigation or Arbitration		N.	
On-Site Fatality		N.	
Penalties Assessed For Environmental Issues		$\searrow$	
Political Contributions or International Affairs		$\searrow$	
Recalls		$\searrow$	
Significant Layoffs		$\checkmark$	
Violation of Indigenous Peoples Rights		$\checkmark$	
Other		$\vee$	



### **Practices**

	Yes	No	
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."			
Animal Testing		$\checkmark$	
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		$\checkmark$	
Company prohibits freedom of association/collective bargaining		$\checkmark$	
Company workers are prisoners		$\checkmark$	
Conduct Business in Conflict Zones		$\checkmark$	
Confirmation of Right to Work		$\checkmark$	
Does not transparently report corporate financials to government		$\searrow$	
Employs Individuals on Zero-Hour Contracts		$\searrow$	
Facilities located in sensitive ecosystems		$\triangleright$	
ID Cards Withheld or Penalties for Resignation		$\searrow$	
No formal Registration Under Domestic Regulations		V	
No signed employment contracts for all workers		V	
Overtime For Hourly Workers Is Compulsory		V	
Payslips not provided to show wage calculation and deductions		V	

	Yes	No
Sale of Data		$\checkmark$
Tax Reduction Through Corporate Shells		V
Workers cannot leave site during non-working hours		V
Workers not Provided Clean Drinking Water or Toilets		V
Workers paid below minimum wage		$\vee$
Workers Under Bond		$\checkmark$
Other		$\checkmark$

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		$\checkmark$
Child or Forced Labor		$\checkmark$
Negative Environmental Impact		V
Negative Social Impact		$\checkmark$
Other		$\checkmark$



## **Disclosure Questionnaire Category: Labor Practices**

Topic	Employees work overtime on a weekly basis.
Summary of Issue	McCain Argentina's factories run 24 hours, 7 days a week. Depending on demand, employees can work up to 56 hours a week, as established through a collective bargaining agreement.  The work requirement at the time of hiring is 48 hours per week and 196 hours per month. In accordance with Law 11,544, Article 1, the duration of work in Argentina may not exceed 8 hours a day or 48 hours a week for any person employed as an employee in public or private establishments. However, Article 2 of the same law through a Collective Bargaining Agreement, employees can work more than 48 hours and up to 56 hours per week; "when the work is carried out by teams, the duration may be extended beyond 8 hours per day and 48 hours weekly, distributing the working hours over a period of three consecutive weeks, that is, a total of 144 hours, in 18 working days, in such a way that the average of the working hours within the cycle does not exceed eight hours per day or forty eight weekly, without in any case weekly work exceeding 56 hours.  On occasions of business needs, McCain requests workers from certain departments to work overtime, complying with current regulations and defined limits. Employees can refuse to work overtime, as this is voluntary.  The company does not carry out compulsory overtime in line with Law 20,744, Art 220.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In FY2023, in each of the company's productive sectors the company had at least 1 extra hour per week.
Impact on Stakeholders	Employees that work compulsory overtime can experience increased stress and have less time to spend on activities outside of the workplace. Workers are not obliged to provide services in overtime, except in cases of danger or accident that has occurred or imminent due to force majeure, or due to exceptional demands of the company.
Implemented	McCain ensures that employees do not work more than 56



#### **Management Practices**

hours per week through the assignment and/or scheduling of each worker's work shifts that are made in their Entry/Exit System (time control). Employees can only enter a shift that has been assigned to them.

At the time of hiring, each employee is informed of the shifts to be completed, tasks assigned, number of hours, schedules and days of work.

Overtime work is paid with a higher pay rate than their usual salary.



### **Disclosure Questionnaire Category: Water Intensive Industry**

**Mccain Argentina** is involved in the production/sale of products, or is part of an industry that can potentially be classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible <a href="here">here</a>.



### Disclosure Questionnaire Category: Biodiversity and/or Monoculture

**Mccain Argentina** is involved in activities that could affect local biodiversity, meaning that they are more likely to have significant impacts on the environment given its interference with the balance of local fauna and flora. Certified B Corps are required to make transparent their involvement in such practices.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible <a href="here">here</a>.



### Disclosure Questionnaire Category: Energy and Emissions Intensive Industry

**Mccain Argentina** is involved in the production/sale of products, or is part of an industry that can potentially be classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible <a href="here">here</a>.